GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:144
ANSWERED ON:24.02.2000
PRIVATE INVESTMENT IN EXPANSION OF RAIL NETWORK
ANNA SAHEB M.K. PATIL

Will the Minister of RAILWAYS be pleased to state:

(a) whether Railways have identified areas for private participation and investment in development activities to strengthen and expand Railways operations, network;

(b) if so, the details thereof; and

(c) the projection of funds flowing from private participation in development activities of Railways during next five years?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS

(SHRI DIGVIJAY SINGH)

(a) to (c): A statement is attached. STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (c) OF LOK SABHA UNSTARRED QUESTION NO.144 BY SHRI ANNASAHEB M.K. PATIL TO BE ANSWERED ON 24.2.2000 REGARDING PRIVATE INVESTMENT IN EXPANSION OF RAIL NETWORK:
(a) to (c): Yes Sir. The following areas have been identified for private participation and investment:

1. The Build Own Lease Transfer (BOLT): The scheme seeks to attract participation in building, construction or manufacturing of railway assets through a lease agreement with Indian Railways Under the scheme, Railways pay the entrepreneur a lease rental for the asset for a pre- specified period. Thereafter the asset is taken over by Indian Railways for the remainder of its economic life. Gauge conversion of Mudkhed −Adilabad section is being undertaken by BOLT scheme and is intended to attract investment to the tune of Rs. 132 crores.

2. Own Your Wagon Scheme: Under this scheme, a company or a firm can procure wagons directly from the approved wagon builders or through Indian Railways. The owner receives a fixed return on the capital invested by him from Indian Railways for the first 10 years and at a rate of 1 percent for the next 10 years. The maintenance of wagons is undertaken free of charge by Indian Railways. Indian Railways assures transportation of the consignments of the company on a priority basis. As Own Your wagon scheme is a voluntary scheme, no firm projections can be made.

3. Leveraging the right of way for communication channels.

4. Private Ownership of Tourist Trains, privatisation of Yatri Niwases and hotels presently managed by Railways and private participation in catering. As these proposals are in the preliminary stage of formulation, it is difficult to assess additional revenue that will be generated.

5. Leasing of Parcel Space. 6.Commercial utilisation of Land and Air space. Commercial development of Railway land being new to the Railways, it is proposed to proceed cautiously to protect Railway's rights and title over land. More over, property market is uncertain and highly fluctuating. Therefore, it is not possible to provide any estimate for the funds likely to be generated from this exercise at the moment.

7 Public-private partnership for funding Railway projects. Efforts are being made to involve the user agencies such as Ports, Public Sector Undertakings as also the State Governments in raising of resources and execution of Railway projects. As this endeavor is still at a preliminary stage, no firm projection can be made.